

**ASSEMBLY BILL**

**No. 363**

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**Introduced by Assembly Member Miller**

February 23, 2009

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An act to add Sections 17053.87 and 23687 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 363, as introduced, Miller. Income and corporation taxes: credits: fire safety compliance.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, for taxable years beginning on or after January 1, 2009, allow a credit for costs incurred in bringing a qualified home, as defined, into compliance with specified fire safety requirements.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.87 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.87. (a) For each taxable year beginning on or after
- 4 January 1, 2009, there shall be allowed as a credit against the "net
- 5 tax," as defined by Section 17039, an amount equal to the qualified
- 6 costs for the taxable year in which a qualified home is brought into
- 7 compliance with the fire hazard severity zone, local agency

1 very-high fire hazard severity zone, or wildland-urban interface  
2 fire area building requirements.

3 (b) For purposes of this section:

4 (1) “Qualified costs” means costs paid or incurred by a taxpayer  
5 for the construction, repair, maintenance, rehabilitation, or  
6 improvement of a qualified home in order to bring the qualified  
7 home into compliance with the fire safety requirements imposed  
8 on new buildings in fire hazard severity zones, local agency  
9 very-high fire hazard severity zones, or wildland-urban interface  
10 fire areas. “Qualified costs” includes, but is not limited to, costs  
11 for materials and labor.

12 (2) “Qualified home” means a dwelling unit located in a fire  
13 hazard severity zone, local agency very-high fire hazard severity  
14 zone, or wildland-urban interface fire area that is not a new building  
15 subject to the fire safety requirements for buildings located in a  
16 fire hazard severity zone, local agency very-high fire hazard  
17 severity zone, or wildland-urban interface fire area.

18 (c) In the case where the credit allowed by this section exceeds  
19 the “net tax,” the excess may be carried over to reduce the “net  
20 tax” in the following year, and succeeding years if necessary, until  
21 the credit is exhausted.

22 SEC. 2. Section 23687 is added to the Revenue and Taxation  
23 Code, to read:

24 23687. (a) For each taxable year beginning on or after January  
25 1, 2009, there shall be allowed as a credit against the “tax,” as  
26 defined by Section 23036, to a taxpayer an amount equal to the  
27 qualified costs for the taxable year in which a qualified home is  
28 brought into compliance with the fire hazard severity zone, local  
29 agency very-high fire hazard severity zone, or wildland-urban  
30 interface fire area building requirements.

31 (b) For purposes of this section:

32 (1) “Qualified costs” means costs paid or incurred by a taxpayer  
33 for the construction, repair, maintenance, rehabilitation, or  
34 improvement of a qualified home in order to bring the qualified  
35 home into compliance with the fire safety requirements imposed  
36 on new buildings in fire hazard severity zones, local agency  
37 very-high fire hazard severity zones, or wildland-urban interface  
38 fire areas. “Qualified costs” includes, but is not limited to, costs  
39 for materials and labor.

1 (2) “Qualified home” means a dwelling unit located in a fire  
2 hazard severity zone, local agency very-high fire hazard severity  
3 zone, or wildland-urban interface fire area that is not a new building  
4 subject to the fire safety requirements for buildings located in a  
5 fire hazard severity zone, local agency very-high fire hazard  
6 severity zone, or wildland-urban interface fire area.

7 (c) In the case where the credit allowed by this section exceeds  
8 the “tax,” the excess may be carried over to reduce the “tax” in  
9 the following year, and succeeding years if necessary, until the  
10 credit is exhausted.

11 SEC. 3. This act provides for a tax levy within the meaning of  
12 Article IV of the Constitution and shall go into immediate effect.